GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:4657
ANSWERED ON:30.03.2017
Exploitation of Minerals
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Will the Minister of MINES be pleased to state:

(a) whether the Union Government has devised new initiatives and policies for the overall development and exploitation of mineral wealth in the country and if so, the details thereof;

(b) the profits earned and losses suffered by various mining companies during the last three years and the current year;

(c) whether the Government has chalked out any strategy to disinvest its shares in certain loss making Public Sector Undertakings (PSUs) and also acquire some of them by profit making PSUs and if so, the details thereof; and

(d) the role of States in the proper exploitation of mineral wealth in the country?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (SHRI PIYUSH GOYAL)

(a): The Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 was amended through the MMDR Amendment Act, 2015 which is deemed to have come into force with effect from 12.1.2015. The following new initiatives and policies for the overall development and exploitation of mineral wealth in the country have been introduced through the MMDR Amendment Act, 2015:

(i) grant of mineral concessions through auction by competitive bidding which is a non-discriminatory and transparent method and one which provides to the State Government a fair share of revenue.

(ii) establishment of the National Mineral Exploration Trust for the purposes of regional and detailed exploration in the country. The Ministry of Mines has notified the National Mineral Exploration Policy, 2016 on 19.07.2016, which lays emphasis on accelerating mineral exploration in the country and, inter alia, also provides for:

a. sharing of baseline geo-scientific data free of cost in public domain as a public good;
b. aero-geophysical survey of the country in a mission mode, initially in the obvious geological potential (OGP) area of about 8.0 lac sq. kms and subsequently in the rest of the areas. A pilot project over OGP area of about 2.06 lakh sq. km. has been initiated.
c. Incentive schemes for attracting private sector participation in regional mineral exploration.

(b): The details of profit earned and losses suffered by the mining companies are not maintained centrally. However, on the basis of information received from Hindustan Copper Limited (HCL) and National Aluminium Company Limited (NALCO), which are PSUs under the administrative control of Ministry of Mines the details of profit earned and losses suffered during the last three years including current year is provided below:

Name of Company 2013-14 2014-15 2015-16 2016-17 up to Q3
Net Profit after Tax in Rs. Crore Net Profit after Tax in Rs. Crore Net Profit after Tax in Rs. Crore Net Profit after Tax in Rs. Crore
NALCO 642 1,322
731 400
HCL 286.42 67.60 43.56 21.23

(c): Government's holding in HCL is 82.95%. As per guidelines issued by Securities Exchange Board of India, it is mandatory for all profit earning and listed CPSEs to have a minimum of 25% public holding by 21.08.2017. In this regard, Department of Investment and Public Asset Management has obtained the approval of CCEA in its meeting held on 13.05.2015 to divest 15% equity in HCL to meet the SEBI guidelines. With regard to NALCO, it is informed that the Government is considering disinvestment of 10% of shares.
(d): The State Governments are the owner of the minerals and grant mineral concessions in accordance with the provisions of the MMDR Act, 1957 and the Rules made thereunder. The State Governments are also responsible for enforcing the regulation of mines and control of illegal mining.
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